

**From:** Wayne Hedberg  
**To:** John Maycock  
**Date:** 10/22/01 12:58PM  
**Subject:** Re: Intl Uranium: surety

Thank you John for your prompt reply to my email request. I'll have this information passed on to the company accordingly.

Wayne

>>> John Maycock 10/22/01 12:28PM >>>

Wayne:

This will confirm our brief phone conversation after my recent email to you. Subsection 4 of R647-4-113 clearly indicates that the Division must approve the form and amount of the surety, and the last sentence of Subsection 4 clearly indicates that the enumerated forms of surety (4.11 through 4.16) are illustrative, not exclusive. In addition, the terms of Utah Code Annotated Sec. 40-8-14(2)(d) are mandatory: "In determining the form of surety..., the division **shall approve a method acceptable to the operator consistent with the requirements of this chapter** (i.e., Title 40, Chapter 8). The "requirements" of the statute are arguably broader and more inclusive than the Rule, because nothing in the statute limits either "collateral" or "deposited securities" to banks, as opposed to credit unions.

In exercising its discretion as to the form of surety under both the statute and the Rule, the Division needs to be careful that the surety is adequate, but is not bound to technical distinction between banks and credit unions. This email does not address, however, any limitations by statute or regulation on the powers of credit unions to issue the particular letter of credit or certificate of deposit proposed by the operator in the present situation.

Best Regards, John Maycock

**CC:** Joelle Burns; Mary Ann Wright